

COUNTY OF SAN MATEO

**California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)**

Grant Award No. MH07020410

Grant Period: July 1, 2007 through June 30, 2008

STATEMENT OF GRANT REVENUES AND EXPENDITURES

With Auditor's Reports Thereon

**San Mateo County
California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
For the Grant Period
July 1, 2007 through June 30, 2008**

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Office of Controller



TOM HUENING
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Independent Auditor's Report

To the Board of Supervisors
San Mateo County

We have audited the accompanying Statement of Grant Revenues and Expenditures of the San Mateo County California Multi-Jurisdictional Methamphetamine Enforcement Team Program (NTF Cal-MMET Grant) for the period July 1, 2007 through June 30, 2008 in accordance with the State of California Office of Emergency Services Grant Recipient Handbook. This statement is the responsibility of the County's management. Our responsibility is to express an opinion on the Statement of Grant Revenues and Expenditures based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Grant Revenues and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement of Grant Revenues and Expenditures was prepared for the purpose of complying with the audit requirements of the State of California Office of Emergency Services Grant Recipient Handbook as described in Note 4 and is not intended to be a complete presentation of the County's revenues and expenditures.

In our opinion, the Statement of Grant Revenues and Expenditures referred to above presents fairly, in all material respects, the grant revenues and expenditures of the NTF Cal-MMET Grant in accordance with the State of California Office of Emergency Services Grant Recipient Handbook for the period July 1, 2007 through June 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2009, on our consideration of the NTF Cal-MMET Grant Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

County of San Mateo Controller

Redwood City, California
March 26, 2009

Office of Controller



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**Report on Internal Control over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards***

To the Board of Supervisors
San Mateo County

We have audited the Statement of Grant Revenues and Expenditures of the San Mateo County California Multi-Jurisdictional Methamphetamine Enforcement Team Program (NTF Cal-MMET Grant) for the period July 1, 2007 through June 30, 2008 in accordance with the State of California Office of Emergency Services Grant Recipient Handbook, and have issued our report thereon dated March 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the NTF Cal-MMET Grant Program's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statement of Grant Revenues and Expenditures, but not for the purposes of expressing an opinion on the effectiveness of the NTF Cal-MMET Grant Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the NTF Cal-MMET Grant Program's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the NTF Cal-MMET Grant Program's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the NTF Cal-MMET Grant Program's Statement of Grant Revenues and Expenditures that is more than inconsequential will not be prevented or detected by the NTF Cal-MMET Grant Program's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the NTF Cal-MMET Grant Program's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the NTF Cal-MMET Grant's Statement of Grant Revenues and Expenditures is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect

on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Supervisors, management and the grantor and is not intended to be and should not be used by anyone other than these specified parties.

County of San Mateo Controller

Redwood City, California
March 26, 2009

**San Mateo County
California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
Grant Award No. MH07020410**

**Statement of Grant Revenues and Expenditures
For the Grant Period July 1, 2007 through June 30, 2008**

Revenues

State Funds (Note 2)	<u>\$ 348,662</u>	
Total Revenues		<u>348,662</u>

Expenditures (Note 8)

Personal Services	202,696	
Operating Expenditures	<u>145,966</u>	
Total Expenditures		<u>348,662</u>

Excess of Revenues Over Expenditures	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of this statement.

**San Mateo County – California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
Grant Award No. MH07020410
Notes to Statement of Grant Revenues and Expenditures
July 1, 2007 through June 30, 2008**

1. General Program Information

The Governor's Office of Emergency Services (OES) Law Enforcement and Victims Services Division administers grant funding to the 58 counties in California for the California Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) Program that supports a regional approach to reduction in methamphetamine production and distribution, reduction in availability of methamphetamine on the street, and reduction in methamphetamine related criminal offenses. Cal-MMET allows flexibility in determining appropriate strategies and outcome measures at the regional level to address their unique methamphetamine crime problems accordingly.

The San Mateo County (County) California Multi-Jurisdictional Methamphetamine Enforcement Team Program (NTF Cal-MMET Grant) was established in March 2007. The County is part of the South Bay sub-region, in cooperation with San Benito, Santa Cruz and Monterey Counties. The goals of the program are to (a) disrupt and dismantle clandestine labs and organizations that manufacture and distribute methamphetamine; and (b) focus on the safety and well being of children by coordinating activities to ensure that the child's needs are not overlooked, assist children who have been endangered by exposure to illicit drug environments and its associated hazardous lifestyle, and remove children from these toxic environments.

2. Description of Grant

OES awarded \$348,662 to San Mateo County. In accordance with the program guidelines, funds for the NTF Cal-MMET Grant were only used to intensify the current methamphetamine eradication efforts of the County by providing additional resources such as personnel (investigators and support staff), operating and equipment expenditures for the program.

As of June 30, 2008, Cal-MMET funds expended for the NTF Cal-MMET Grant totaled \$348,662. About sixty-three percent of the total spent was reimbursed from OES as of June 30, 2008. The remaining \$129,326 was reimbursed after the fiscal year-end.

3. The County's Reporting Structure

Accounts of the County are organized on the basis of funds. A fund is defined as an independent accounting entity with self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities.

Components of the reporting structure applicable to the transactions under the grant contract:

Governmental funds

Governmental funds use the current financial resources measurement focus. The measurement focus is based upon spending or funds flow and determination of changes in fund balance.

4. Basis of Financial Statement Presentation

The *Statement of Grant Revenues and Expenditures* was prepared for the purpose of complying with the audit requirements of the State of California OES Grant Recipient Handbook (2008 Revision) and is not intended to be a complete presentation of the County's revenues and expenditures. Only revenues and expenditures related to NTF Cal-MMET Grant are included.

**San Mateo County – California Multi-Jurisdictional Methamphetamine
Enforcement Team Program (NTF Cal-MMET Grant)
Grant Award No. MH07020410
Notes to Statement of Grant Revenues and Expenditures
July 1, 2007 through June 30, 2008**

5. Basis of Accounting

Basis of accounting refers to the timing of recognizing revenues and expenditures/expenses in an account and when to report them in the financial statements, regardless of the measurement focus applied.

The modified accrual basis of accounting is used to record grant revenues and expenditures. Revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). Expenditures are recognized in the accounting period in which the liability is incurred.

6. Grant Award Modifications

The NTF Cal-MMET Grant Award Agreement was amended on April 29, 2008 to increase the State award amount by \$18,662, increasing the total award from \$330,000 to \$348,662. The NTF Cal-MMET Grant was also modified on June 12, 2008 to re-allocate expenditures within budget categories.

7. Grant Revenues

Grant revenues reported for the fiscal year include \$129,326 reimbursed from OES after year-end, as explained in Note 2 above.

8. Grant Expenditures

Total grant expenditures for the fiscal year amounted to \$348,662 and comprised of personal services of \$202,696 and operating expenditures of \$145,966.

Office of Controller



TOM HUENING
CONTROLLER

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March 31, 2009

Local Assistance Monitoring Branch
California Emergency Management Agency
3650 Schriever Avenue
Mather, CA 95655

To whom it may concern:

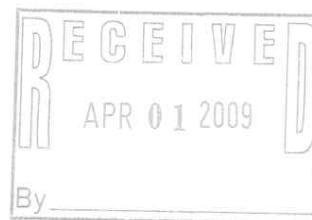
Attached, please find the audit report for San Mateo County California Multi-Jurisdictional Methamphetamine Enforcement Team Program (NTF Cal-MMET Grant) for the period July 1, 2007 through June 30, 2008. This report is submitted to you in accordance with the requirements of the 2008 OES Grant Recipient Handbook, Section 8221.

Sincerely,

A handwritten signature in dark ink, appearing to read "K. Charan".

Kanchan Charan,
Deputy Controller

DATE RECEIVED:



AUDIT REVIEW #(s) 04564

Assigned To: Moun+

Date Reviewed: 4/2/09

Reviewer's Initials: DM

Date Review(s) Completed: 4/2/09